DOW JONES, A NEWS CORP COMPANY ▼

Stoxx 600 ▼ 374.05 -0.56%

Nikkei ▼ 19508.25 -0.93%

U.S. 10 Yr ▼ -14/32 Yield 2.168%

Crude Oil ▲ 47.37 0.17%

Euro ▲ 1.1916 0.45%

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U.S.

## Arkema Warns It Can't Prevent Potential Chemical Explosion in Texas

Arkema manufacturing facility near Houston is in six feet of water



Trucks make their way through flood waters on a main road leading to the Arkema chemical plant that was in crisis during the aftermath of Hurricane Harvey on Wednesday. PHOTO: BRENDAN SMIALOWSKI/AGENCE FRANCE-PRESSE/GETTY

*By Dan Molinski* Updated Aug. 30, 2017 5:39 p.m. ET

Industrial chemical manufacturer Arkema said Wednesday it has "no way to prevent" a potentially large explosion and fire at its facility near Houston, after flooding due to Tropical Storm Harvey.

The Arkema plant in Crosby, Texas, some 25 miles northeast of Houston, was evacuated late Tuesday. Working with authorities, the company also urged everyone within a mile and a half of the plant to evacuate, and shut down a stretch of Highway 90 that runs alongside the plant, which produces organic peroxides for things like acrylic-based paint.

"We have an unprecedented 6 feet of water throughout the plant," Arkema's North American operations Chief Executive Rich Rowe said in a teleconference Wednesday with reporters.

Mr. Rowe said that the plant lost primary power and two emergency backup power sources, which led to a shutdown of "critical refrigeration needed for our materials." He said that means those materials "could now explode and cause a subsequent and intense fire," and added that "the high water that exists on site, and the lack of power, leave us with no way to prevent it."

Mr. Rowe said about 300 people in all have been evacuated, but said it wasn't a mandatory evacuation, so he's not certain whether the 1.5-mile radius around the facility is currently devoid of people. He said it is mostly a rural area, so there are "a limited number of homes" within the area.

Mr. Rowe said local officials told him the water level in the area could actually continue to rise over the course of the next three to six days, and as such Arkema, which is based in France, believes the chemicals will start to degrade well before that happens.

"And once the chemicals begin to degrade we would be in a situation where we could be looking at a fire and/or an explosion," he said. As soon as the chemicals begin to degrade

they start to "self-accelerate" in a type of no-turning-back mode, he added.

Mr. Rowe didn't get specific about the amount of chemicals on site or just how big the blast might be, except to say that the analysis of the quantity of chemical is what led authorities to decide on the 1.5-mile evacuation zone they deemed appropriate.

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He said assuming there is an explosion or large fire, the company feels any sustained environmental impact should be "minimal," noting the possible incident would probably be largely confined to the Arkema site itself.

A reporter during the press conference asked Mr. Rowe to comment on Arkema being cited by the Occupation Safety and Health Administration in August 2016 for its handling of material.

"What we did after the OSHA audit and the conclusion of that audit was we invested several million dollars in the site, we shut the site down, we had OSHA officials come and visit the site," he said. "We addressed all the issues that came from that audit in—I think—an effective manner."

Write to Dan Molinski at Dan.Molinski@wsj.com

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